
MEMORANDUM

FROM: KASSON TOWNSHIP BOARD OF REVIEW

TO: KASSON TOWNSHIP BOARD

DATE: FEBRUARY 2, 2022

SUBJECT: ALLOWING PARTIAL POVERTY EXEMPTIONS

Board Members,

PA 253 of 2020 made changes related to granting full or partial poverty exemptions for property taxes. MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review (BOR) shall grant the poverty exemption, in whole or in part, as follows:

1. A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
2. A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
3. A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

The State Tax Commission recommends that local assessing units include within their guidelines language and criteria for granting partial exemptions and/or minimum or maximum exemptions.

An informal poll of the BOR indicated that they would like to discuss the granting of 50% and 25% reductions. We will introduce and take up discussion of that at the March 8, 2022 meeting of the BOR.

To aid in our discussion and decision on this topic, the BOR would appreciate the Township Board providing us with their sense of adopting such a policy. Does the Board generally support this provision?

In addition, we would appreciate your sense of the income levels that would govern the granting of such an exemption.

For example, the guideline might state that if a household was over 100% of the Federal Poverty Guideline for Income but under 110% of the Federal Guideline, then they could be granted a 50% reduction in taxable value; or if over 110% but under 120% of the Federal Guideline, they could be granted a 25% reduction in taxable value.

The 110% and 120% figures are for illustrative purposes only and do not reflect the opinions of the members of the BOR.

If you can provide us your sense before our March 8 meeting, the BOR could potentially enact such a policy that would allow us to grant those exemptions for the 2022 tax year.

Thank you for your consideration and prompt reply.

Chuck Schaeffer, Chairman
Kasson Township Board of Review